

DEPARTMENT OF LAND AND NATURAL RESOURCES  
STATE OF HAWAII

FINANCIAL STATEMENTS  
AND REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2002

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# Akamine, Oyadomari & Kosaki

CERTIFIED PUBLIC ACCOUNTANTS, INC.

August 20, 2003

Mr. Peter T. Young, Chairperson  
Board of Land and Natural Resources  
State of Hawaii

Dear Mr. Young:

This is our report on the audit of the financial statements of the Department of Land and Natural Resources, State of Hawaii, for the year ended June 30, 2002. Our audit was performed in accordance with the terms of our contract with the Department and with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the OMB Circular A-133 Compliance Supplement.

## OBJECTIVES OF THE AUDIT

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the Department of Land and Natural Resources, State of Hawaii's financial statements for the year ended June 30, 2002, and to comply with the requirements of OMB Circular A-133, which established audit requirements for states, local governments and non-profit organizations that receive federal awards.

More specifically, the objectives of the audit were as follows:

1. To satisfy the audit requirements of OMB Circular A-133.
2. To provide a basis for an opinion on the fairness of the presentation of the Department of Land and Natural Resources, State of Hawaii's, financial statements.
3. To determine whether expenditures have been made and all revenues and other receipts to which the Department of Land and Natural Resources, State of Hawaii, is entitled have been collected and accounted for in accordance with the laws, rules and regulations, and policies and procedures of the State of Hawaii and, where applicable, the Federal government.

4. To evaluate the adequacy of the Department of Land and Natural Resources, State of Hawaii's, internal control over financial reporting to determine whether there is effective control over and proper accounting of revenues, expenditures, disbursements, assets, liabilities and federal award programs and to comply with the applicable laws and regulations.
5. To determine whether the Department of Land and Natural Resources, State of Hawaii, has complied with the provisions of the federal grant agreements and applicable laws, regulations, and circulars with regard to grant activities.

#### SCOPE OF THE AUDIT

Our audit was performed in accordance with auditing standards generally accepted in the United States of America, as prescribed by the American Institute of Certified Public Accountants and Government Auditing Standards, issued by the Comptroller General of the United States, as they pertain to financial audits. The scope of our audit included a general audit of the financial transactions and accounting records of the Department of Land and Natural Resources, State of Hawaii for the year ended June 30, 2002. In addition, as part of our determination as to whether the Department of Land and Natural Resources, State of Hawaii, has effective controls over and proper accounting of revenues, receipts, expenditures, disbursements, assets and liabilities we considered the internal control over financial reporting. We also performed tests to determine the Department of Land and Natural Resources, State of Hawaii's, compliance with the fiscal provisions of its grant agreements and applicable laws, regulations and federal circulars.

#### ORGANIZATION OF THE REPORT

This report is presented in three parts as follows:

- Part I - Financial section
- Part II - Compliance and internal control.
- Part III - Schedule of findings and questioned costs.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended to us by the staff of the Department of Land and Natural Resources, State of Hawaii.

Sincerely,

*Alkermine, Oyadomari & Thorabi CPAs, Inc.*

**The Department of Land and Natural Resources  
State of Hawaii**

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**The Department of Land and Natural Resources  
State of Hawaii**

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PART I  
FINANCIAL SECTION

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# Akamine, Oyadomari & Kosaki

CERTIFIED PUBLIC ACCOUNTANTS, INC.

## Independent Auditor's Report

Board of Land and Natural Resources  
State of Hawaii

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department of Land and Natural Resources, State of Hawaii, as of and for the year ended June 30, 2002, which collectively comprise the Department's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Department of Land and Natural Resources, State of Hawaii. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note A to the financial statements, the financial statements of the Department of Land and Natural Resources, State of Hawaii, are intended to present the financial position, and the changes in financial position, of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2002, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Department of Land and Natural Resources, State of Hawaii, as of June 30, 2002, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A to the financial statements, the Department of Land and Natural Resources, State of Hawaii, has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2002.

The Department of Land and Natural Resources, State of Hawaii, has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department of Land and Natural Resources, State of Hawaii's, basic financial statements. The information on the Combining Balance Sheet – Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds, are presented for purposes of additional analysis and is not a required part of the basic financial statements. The Combining Balance Sheet – Nonmajor Governmental Funds and Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated August 20, 2003 on our consideration of the Department of Land and Natural Resources, State of Hawaii's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Alumina, Pyodmani & Koshi CPAs, Inc.*

Honolulu, Hawaii  
August 20, 2003

# Department of Land and Natural Resources

## State of Hawaii

### Statement of Net Assets

June 30, 2002

#### ASSETS

Cash and short-term cash investments held in State Treasury (Note C)	\$	133,522,912
Receivables (Note D):		
Federal grants		2,061,334
General leases and licenses, net of allowance for losses of \$763,000		243,473
Capital assets:		
Land, improvements, construction-in-progress and other capital assets, net of depreciation (Note E)		191,782,743
Total assets	\$	<u>327,610,462</u>

#### LIABILITIES

Vouchers and contracts payable	\$	5,765,551
Accrued wages and employee benefits payable (Note B)		1,589,095
Due to State Treasury (Note H)		8,969,630
Due to other State agencies (Note J)		3,000,271
Deferred revenue		694,103
Bonds payable (Note F):		
Due within one year		936,000
Due in more than one year		9,050,519
Accrued vacation (Note F):		
Due within one year		2,317,000
Due in more than one year		3,426,238
Total liabilities		<u>35,748,407</u>

Commitments and contingencies (Notes G and H)

#### NET ASSETS

Invested in capital assets, net of related debt	181,796,224
Unrestricted	<u>110,065,831</u>
Total net assets	<u>291,862,055</u>
Total liabilities and net assets	<u>\$ 327,610,462</u>

The accompanying notes are an integral part of the financial statements.

# Department of Land and Natural Resources

## State of Hawaii

### Statement of Activities

for the year ended June 30, 2002

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Interest, Rents and Fees	
Departmental activities:			
Economic development	\$ 3,736,581	\$ 252,536	\$ (1,982,685)
Environmental protection	27,701,711	3,820,550	(10,953,717)
Culture and recreation	22,810,735	12,375,265	(6,412,719)
Public safety	386,743	-	(287,853)
Individual rights	2,810,351	1,997,754	(812,597)
Government-wide support	4,348,304	6,065,606	3,093,772
Capital outlays (Note E)	3,103,643	-	(3,103,643)
Total departmental activities	\$ 64,898,068	\$ 24,511,711	(20,459,442)
General revenues:			
Appropriations, net of lapsed appropriations of \$16,605,683			38,712,473
Total general revenues before transfers			38,712,473
Transfers, net			(342,928)
Total general revenues and transfers			38,369,545
Change in net assets			17,910,103
Net assets at July 1, 2001			273,951,951
Net assets at June 30, 2002			\$ 291,862,054

The accompanying notes are an integral part of the financial statements.

Department of Land and Natural Resources

State of Hawaii

Balance Sheet

Governmental Funds

June 30, 2002

ASSETS

Cash and short-term cash investments held in State Treasury (Note C)

Receivables (Note D):

Federal grants

General leases and licenses, net of allowance for losses of \$763,000

Total assets

LIABILITIES

Vouchers and contracts payable

Accrued wages and employee benefits payable (Note B)

Due to State Treasury (Note H)

Due to other State agencies (Note J)

Deferred revenue

Total liabilities

Commitments and contingencies (Notes G and H)

FUND BALANCES

Reserved for:

Encumbrances

Receivables (Note D)

Continuing appropriations

Unexpended Federal awards

Total reserved fund balances

Unreserved

Unreserved reported in nonmajor:

Special revenue funds

Total unreserved fund balances

Total fund balances

Total liabilities and fund balances

	General Fund	Federal Grant Fund	Special Land Development Fund	Ocean-Based Recreation Fund	Kaho'olawe Rehabilitation Trust Fund	Capital Projects Fund	Other Funds	Total
\$ 2,273,712	\$ 2,273,712	\$ 5,627,829	\$ 21,503,435	\$ 2,064,790	\$ 29,085,352	\$ 55,982,810	\$ 16,984,984	\$ 133,522,912
		2,061,334		239,580				2,061,334
							3,893	243,473
\$ 2,273,712	\$ 2,273,712	\$ 7,689,163	\$ 21,503,435	\$ 2,304,370	\$ 29,085,352	\$ 55,982,810	\$ 16,988,877	\$ 135,827,719
\$ 1,083,885	\$ 1,083,885	\$ 1,160,654	\$ 234,158	\$ 348,561	\$ 1,356,538	\$ 987,664	\$ 594,091	\$ 5,765,551
1,055,421	1,055,421	34,903	113,272	173,975	48,900	62,913	99,711	1,589,095
		8,969,630						8,969,630
				3,000,271				3,000,271
				360,560			115,673	694,103
			217,870					
		10,165,187	565,300	3,883,367	1,405,438	1,050,577	809,475	20,018,650
1,238,861	1,238,861	2,671,994	1,459,114	669,096	1,674,344	42,110,108	2,577,454	52,400,971
		2,061,334		239,580			3,893	2,304,807
								12,822,125
								26,005,570
1,238,861	1,238,861	4,733,328	1,459,114	908,676	27,679,914	54,932,233	2,581,347	93,533,473
(1,104,455)	(1,104,455)	(7,209,352)	19,479,021	(2,487,673)				8,677,541
							13,598,055	13,598,055
(1,104,455)	(1,104,455)	(7,209,352)	19,479,021	(2,487,673)				22,275,596
134,406	134,406	(2,476,024)	20,938,135	(1,578,997)	27,679,914	54,932,233	16,179,402	115,809,069
\$ 2,273,712	\$ 2,273,712	\$ 7,689,163	\$ 21,503,435	\$ 2,304,370	\$ 29,085,352	\$ 55,982,810	\$ 16,988,877	\$ 135,827,719

The accompanying notes are an integral part of the financial statements.

# Department of Land and Natural Resources

## State of Hawaii

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
for the year ended June 30, 2002

	General Fund	Federal Grant Fund	Special Land Development Fund	Ocean-Based Recreation Fund	Kaho'olawe Rehabilitation Trust Fund	Capital Projects Fund	Other Funds	Total
<b>Revenues</b>								
Appropriations	\$ 26,646,208	\$ -	\$ -	\$ -	\$ -	\$ 29,248,702	\$ -	\$ 55,894,910
Intergovernmental revenues	-	10,345,650	-	-	7,343,490	238,360	-	17,927,500
General leases, licenses and permits	-	835	5,012,102	8,547,434	-	-	6,786,814	20,347,185
Fuel taxes	-	-	-	1,394,815	-	-	219,797	1,614,612
Interest	-	34,202	1,053,503	67,468	911,686	-	483,055	2,549,914
Other	-	402,169	26,470	17,997	-	50,438	1,502,341	1,999,415
<b>Total revenues</b>	<b>26,646,208</b>	<b>10,782,856</b>	<b>6,092,075</b>	<b>10,027,714</b>	<b>8,255,176</b>	<b>29,537,500</b>	<b>8,992,007</b>	<b>100,333,536</b>
<b>Expenditures</b>								
Current:								
Economic development	1,674,940	1,287,971	-	-	-	-	629,083	3,591,994
Environmental protection	14,720,024	5,340,234	-	-	3,069,941	-	3,119,128	26,249,327
Culture and recreation	8,000,133	2,817,747	-	7,915,888	-	-	1,624,954	20,358,722
Public safety	163,194	78,453	-	-	-	-	-	241,647
Individual rights	1,698,202	-	-	-	-	-	1,023,265	2,721,467
Government-wide support	29,889	(380)	4,254,461	-	-	10,696,350	-	4,283,970
Capital improvement projects	-	81,487	-	-	-	-	-	10,777,837
Debt service:								
Principal on long-term debt	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>26,286,382</b>	<b>9,605,512</b>	<b>4,254,461</b>	<b>9,533,073</b>	<b>3,069,941</b>	<b>10,696,350</b>	<b>6,396,430</b>	<b>69,842,149</b>
Excess of revenues over expenditures	359,826	1,177,344	1,837,614	494,641	5,185,235	18,841,150	2,595,577	30,491,387
<b>Other financing sources (uses)</b>								
Operating transfers	-	320,858	18,536,682	9,363,037	-	647,900	11,626,465	40,494,942
Operating transfers out	(320,858)	(320,858)	(20,207,371)	(10,242,031)	-	-	(9,746,752)	(40,837,870)
<b>Total other financing sources (uses)</b>	<b>(320,858)</b>	<b>-</b>	<b>(1,670,689)</b>	<b>(878,994)</b>	<b>-</b>	<b>647,900</b>	<b>1,879,713</b>	<b>(342,928)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	38,968	1,177,344	166,925	(384,353)	5,185,235	19,489,050	4,475,290	30,148,459
Lapsed appropriations	(1,615,700)	-	-	-	-	(14,989,983)	-	(16,605,683)
Net change in fund balances	(1,576,732)	1,177,344	166,925	(384,353)	5,185,235	4,499,067	4,475,290	13,542,776
Fund balances at July 1, 2001	1,711,138	(3,653,368)	20,771,210	(1,194,644)	22,494,679	50,433,166	11,704,112	102,266,293
Fund balances at June 30, 2002	\$ 134,406	\$ (2,476,024)	\$ 20,938,135	\$ (1,578,997)	\$ 27,679,914	\$ 54,932,233	\$ 16,179,402	\$ 115,809,069

**Department of Land and Natural Resources**

**State of Hawaii**

Statement of Fiduciary Net Assets

June 30, 2002

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term cash investments held in State Treasury (Note C)	\$ 3,521,846
Receivables (Note D):	
General leases and licenses, net of allowance for losses of \$251,000	<u>1,011,230</u>
Total assets	<u>4,533,076</u>
<b>LIABILITIES</b>	
Due to other State agencies	1,186,453
Due to State Treasury	<u>783,573</u>
Total liabilities	<u>1,970,026</u>
<b>NET ASSETS</b>	
Held in trust for:	
Individuals and organizations	<u>2,563,050</u>
Total net assets	<u>\$ 2,563,050</u>

The accompanying notes are an integral part of the financial statements.

**Department of Land and Natural Resources  
State of Hawaii**

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets  
June 30, 2002

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Assets
<b>ASSETS</b>				
Cash and short-term cash investments held in State Treasury	\$ 133,522,912	\$ -	\$ -	\$ 133,522,912
Receivables:				
Federal grants	2,061,334	-	-	2,061,334
General leases and licenses, net of allowance for losses	243,473	-	-	243,473
Capital assets:				
Land, improvements, construction-in-progress and other capital assets, net of depreciation	-	191,782,743 (1)	-	191,782,743
Total assets	<u>\$ 135,827,719</u>	<u>\$ 191,782,743</u>	<u>\$ -</u>	<u>\$ 327,610,462</u>
<b>LIABILITIES</b>				
Vouchers and contracts payable	\$ 5,765,551	\$ -	\$ -	\$ 5,765,551
Accrued wages and employee benefits payable	1,589,095	-	-	1,589,095
Due to State Treasury	8,969,630	-	-	8,969,630
Due to other State agencies	3,000,271	-	-	3,000,271
Deferred revenue	694,103	-	-	694,103
Bonds payable:				
Due within one year	-	936,000 (2)	-	936,000
Due in more than one year	-	9,050,519 (2)	-	9,050,519
Accrued vacation:				
Due within one year	-	2,317,000 (3)	-	2,317,000
Due in more than one year	-	3,426,238 (3)	-	3,426,238
Total liabilities	<u>20,018,650</u>	<u>15,729,757</u>	<u>-</u>	<u>35,748,407</u>
<b>FUND BALANCES/NET ASSETS</b>				
Invested in capital assets, net of related debt	-	591,799,555 (1) (26,747,857) (1) (352,240,704) (1) 8,620,124 (1) 63,282,505 (1) 5,714,140 (1) 8,743,712 (1) (65,648,630) (1) (4,594,102) (1) (37,146,000) (1) (10,448,102) (2) 1,087,967 (2) (576,753) (2) (49,631) (2)	-	181,796,224
Reserved/Restricted for:				
Encumbrances	52,400,971	-	(52,400,971) (4)	-
Receivables	2,304,807	-	(2,304,807) (4)	-
Continuing appropriations	12,822,125	-	(12,822,125) (4)	-
Unexpended federal awards	26,005,570	-	(26,005,570) (4)	-
Unreserved/Unrestricted:	22,275,596	(5,499,373) (3) (243,865) (3)	93,533,473 (4)	110,065,831
Total fund balances/net assets	<u>115,809,069</u>	<u>176,052,986</u>	<u>-</u>	<u>291,862,055</u>
Total liabilities and fund balances/net assets	<u>\$ 135,827,719</u>	<u>\$ 191,782,743</u>	<u>\$ -</u>	<u>\$ 327,610,462</u>

The accompanying notes are an integral part of the financial statements.

**The Department of Land and Natural Resources  
State of Hawaii**

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets  
June 30, 2002 (continued)

Total fund balances - governmental funds \$ 115,809,069

Amounts reported for governmental activities in the statement of net assets  
are different because:

- (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Land improvements	\$ 64,963,202	
Other capital assets	45,896,633	
Accumulated depreciation	(70,220,992)	
Land	141,468,838	
Other capital assets, not depreciated	719,990	
Construction in progress	8,955,072	
Total capital assets		191,782,743

- (2) Bonds payable are not reported in the governmental funds. (9,986,519)

- (3) Accrued vacation is not reported in the governmental funds. (5,743,238)

- (4) Reclassify reserved fund balance/net assets  
to unrestricted fund balance/net assets.

-

Total net assets \$ 291,862,055

The accompanying notes are an integral part of the financial statements.

**The Department of Land and Natural Resources  
State of Hawaii**

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
for the year ended June 30, 2002

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Activities
<b>Revenues</b>				
Appropriations	\$ 55,894,910	\$ (576,754) (2)	\$ (16,605,683) (4)	\$ 38,712,473
Intergovernmental revenues	17,927,500	-	-	17,927,500
General leases, licenses and permits	20,347,185	-	-	20,347,185
Fuel taxes	1,614,612	-	-	1,614,612
Interest	2,549,914	-	-	2,549,914
Other	1,999,415	-	-	1,999,415
<b>Total revenues</b>	<b>100,333,536</b>	<b>(576,754)</b>	<b>(16,605,683)</b>	<b>83,151,099</b>
<b>Expenditures</b>				
Economic development	3,591,994	(71,750) (1)	-	3,736,581
		198,423 (1)	-	
		17,914 (3)	-	
Environmental protection	26,249,327	(527,095) (1)	-	27,701,711
		1,841,480 (1)	-	
		137,999 (3)	-	
Culture and recreation	20,358,722	(470,009) (1)	529,218 (5)	22,810,735
		2,307,474 (1)	-	
		49,631 (2)	-	
		35,699 (3)	-	
Public safety	241,647	(664) (1)	-	386,743
		145,265 (1)	-	
		495 (3)	-	
Individual rights	2,721,467	48,713 (1)	-	2,810,351
		40,171 (3)	-	
Government-wide support	4,283,970	52,747 (1)	-	4,348,304
		11,587 (3)	-	
Capital outlays	10,777,837	(7,674,194) (1)	-	3,103,643
Principal on long-term debt	1,087,967	(1,087,967) (2)	-	-
Interest on long-term debt	529,218	-	(529,218) (5)	-
<b>Total expenditures</b>	<b>69,842,149</b>	<b>(4,944,081)</b>	<b>-</b>	<b>64,898,068</b>
	30,491,387	4,367,327	(16,605,683)	18,253,031
<b>Other financing sources (uses) and lapsed appropriations:</b>				
Net operating transfers	(342,928)	-	-	(342,928)
Lapsed appropriations	(16,605,683)	-	16,605,683 (4)	-
<b>Change in fund balances/net assets</b>	<b>\$ 13,542,776</b>	<b>\$ 4,367,327</b>	<b>\$ -</b>	<b>\$ 17,910,103</b>

The accompanying notes are an integral part of the financial statements

**The Department of Land and Natural Resources  
State of Hawaii**

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
for the year ended June 30, 2002 (continued)

Change in fund balances - governmental funds	\$	13,542,776
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Amounts reported for governmental activities in the  
statement of activities are different because:

- (1) Capital outlays are reported as expenditures in governmental funds, however in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these outlays are:

Capital outlays	\$	8,743,712	
Depreciation expense		(4,594,102)	
Excess of capital outlays over depreciation expense			4,149,610

- (2) Repayment of bond principal is reported as an expenditure in governmental funds, but the repayment reduces bonds payable in the statement of net assets. Also, the increase in bonds payable due to premiums from refunding bonds is shown in the statement of net assets.

Repayment of bond principal	\$	1,087,967	
Proceeds from issuance of bonds		(576,754)	
Premium from refunding bonds issued		(49,631)	
Net bond repayments			461,582

- (3) The increase in accrued vacation is not reported in governmental funds. (243,865)

- (4) Lapsed appropriations are net against appropriations in the statement of activities. -

- (5) Reclassify interest on long-term debt to function. -

Change in net assets	\$	<u>17,910,103</u>
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The accompanying notes are an integral part of the financial statements.

**The Department of Land and Natural Resources  
State of Hawaii**

**Statement of Revenues and Expenditures - Budget and Actual -**

**General Fund**

for the year ended June 30, 2002

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Appropriations	\$ 26,646,208	\$ 26,646,208	\$ 26,646,208	\$ -
Expenditures:				
Economic development	1,762,367	1,762,367	1,654,880	107,487
Environmental protection	14,862,808	14,862,808	14,277,368	585,440
Culture and recreation	8,085,198	8,085,198	7,621,076	464,122
Public safety	197,112	197,112	159,575	37,537
Individual rights	1,708,723	1,708,723	1,685,309	23,414
Government-wide support	30,000	30,000	29,889	111
Total expenditures	26,646,208	26,646,208	25,428,097	1,218,111
Excess of revenues over expenditures	\$ -	\$ -	\$ 1,218,111	\$ 1,218,111

The accompanying notes are an integral part of the financial statements.

**The Department of Land and Natural Resources  
State of Hawaii**

**Statement of Revenues and Expenditures - Budget and Actual -  
Other Major Funds  
for the year ended June 30, 2002**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
<u>Special Land Development Fund</u>				
Revenues	\$ 5,521,180	\$ 5,521,180	\$ 6,092,075	\$ 570,895
Expenditures:				
Government-wide support	5,521,180	5,521,180	4,609,710	911,470
Excess of revenues over expenditures	\$ -	\$ -	\$ 1,482,365	\$ 1,482,365
<u>Ocean-Based Recreation Fund</u>				
Revenues	\$ 14,547,220	\$ 14,547,220	\$ 10,027,714	\$ (4,519,506)
Expenditures:				
Culture and recreation	14,547,220	14,547,220	9,796,967	4,750,253
Excess of revenues over expenditures	\$ -	\$ -	\$ 230,747	\$ 230,747

The accompanying notes are an integral part of the financial statements.

**The Department of Land and Natural Resources  
State of Hawaii**

**Statement of Revenues and Expenditures - Budget and Actual -  
Other Major Funds**

for the year ended June 30, 2002 (continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Federal Grant Fund</u>				
Revenues	\$ 11,502,711	\$ 11,502,711	\$ 10,782,856	\$ (719,855)
Expenditures:				
Economic Development	721,827	721,827	1,500,456	(778,629)
Environmental Protection	3,175,482	3,175,482	5,641,832	(2,466,350)
Culture and Recreation	3,207,768	3,207,768	3,163,167	44,601
Public Safety	325,000	325,000	77,951	247,049
Government-wide Support	4,072,634	4,072,634	(380)	4,073,014
Capital Outlays	-	-	81,487	(81,487)
Total expenditures	11,502,711	11,502,711	10,464,513	1,038,198
Excess of revenues over expenditures	\$ -	\$ -	\$ 318,343	\$ 318,343

The accompanying notes are an integral part of the financial statements.